

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Freeport Post Office
Freeport, KS 67049
(Carol Peterson, Petitioner)

Docket No. A2012-87

UNITED STATES POSTAL SERVICE COMMENTS REGARDING APPEAL
(January 23, 2012)

The Postal Regulatory Commission (the “Commission”) received an appeal postmarked November 29, 2011, from postal customer Ms. Carol Peterson (“Petitioner”) objecting to the discontinuance of the Post Office at Freeport, Kansas (the “Freeport Post Office”).¹ By means of Order No. 1044, dated December 14, 2011, the Commission docketed the letter, assigning PRC Docket No. A2012-87 as an appeal pursuant to 39 U.S.C. § 404(d). The administrative record was filed with the Commission on December 14, 2011.

The appeal letter received by the Commission raises one issue: the impact on the provision of postal services. As reflected in the administrative record of this proceeding, the Postal Service gave this issue serious consideration. In addition, consistent with the Postal Service’s statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact on the community, the calculation of economic savings expected to result from discontinuing the Freeport Post Office and the impact upon postal employees. Accordingly, the determination to discontinue the Freeport Post Office should be affirmed.

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

² See 39 U.S.C. 404(d)(2)(A).

Background

The Final Determination To Close the Freeport, KS Post Office and Establish Service By Rural Route Service ("Final Determination" or "FD"),³ as well as the administrative record, indicate that the Freeport Post Office provided EAS-53 level service to 23 delivery customers, 8 Post Office Box or general delivery customers, and to retail customers from 8:30 a.m. to 10:30 a.m. Monday through Friday, and from 8:30 a.m. to 10:30 a.m. on Saturdays.⁴ The Postmaster of the Freeport Post Office retired on October 1, 1992.⁵ Since the Postmaster vacancy arose, a non-career employee was installed as an officer-in-charge ("OIC") to operate the Freeport Post Office. The employee currently serving as the OIC may be separated from the Postal Service, although attempts will be made to re-assign her to an authorized vacant position.⁶ The average number of daily retail window transactions at the Freeport Post Office is 6, accounting for 7 minutes of retail work. Revenue for the last three years declined: \$7,872 in FY 2008; \$7,093 in FY 2009; and \$6,281 in FY 2010.⁷

Upon implementation of the Final Determination, retail services will continue to be provided by rural route service administered by the Argonia Post

³ The Final Determination can be found at Item 47 in the administrative record. All citations to the Final Determination will be to "FD at __," rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other items in the administrative record are referred to as "Item __."

⁴ FD at 2; Item 18, Form 4920; Item 33, Proposal at 2; Item 41, Proposal (Revised) at 2

⁵ The record incorrectly states that the Postmaster resigned February 1, 2006, but upon further research in preparing these Comments in response to Petitioner's letter, the Postal Service determined that the last Postmaster actually retired October 1, 1992.

⁶ FD at 6; Item 15, Post Office Fact Sheet at 1; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

⁷ FD at 6; Item 18, Form 4920; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

Office,⁸ an EAS-13 level office, located 10 miles away, which has 251 vacant Post Office Boxes.⁹

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Freeport Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Freeport Post Office.¹⁰ Questionnaires were also available over the counter for retail customers at the Freeport Post Office.¹¹ A letter by Mike Monnington, Manager, Post Office Operations, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether operation of the Freeport Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Argonia Post Office.¹² The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service that they were receiving and the effects of a possible change involving rural route delivery. Fourteen customers returned questionnaires, and the Postal

⁸ The Argonia Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>

⁹ FD at 2; Item 18, Form 4920; Item 33, Proposal at 2; Item 41, Proposal (Revised) at 2.

¹⁰ Item 20, Questionnaire Instruction Letter.

¹¹ *Id.*

¹² Item 21, Cover Letter for Questionnaire.

Service responded.¹³ In addition, representatives from the Postal Service were available at the Freeport City Hall for a community meeting on April 14, 2011, to answer questions and provide information to customers.¹⁴ Fourteen customers attended.¹⁵ Customers received formal notice of the Proposal and Final Determination through postings at the Freeport and Argonia Post Offices. The Proposal was posted with an invitation for public comment at the Freeport and Argonia Post Offices for 60 days beginning July 26, 2011, and ending September 26, 2011.¹⁶

One customer returned comments in response to the “Invitation for Comments” after the Proposal was posted.¹⁷ The Postal Service addressed those concerns via reply correspondence.¹⁸ The Final Determination was posted at the Freeport and Argonia Post Offices beginning on October 27, 2011 as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item 49. The Final Determination was initially removed on November 28, 2011 and has been reposted upon filing of this appeal. In light of the expiration of the Postmaster vacancy; minimal workload; declining revenue; the variety of delivery and retail options (including the convenience of rural route delivery and retail service); minimal projected population, residential, commercial, or business growth in the area; minimal

¹³ Item 22, Returned Questionnaires and Postal Service Response Letters; Item 23, Analysis of Questionnaires.

¹⁴ Item 26, Community Meeting Letter.

¹⁵ Item 24, Community Meeting Roster; Item 25, Community Meeting Analysis.

¹⁶ Item 31, Instructions to Post Proposal; Item 32, Invitation for Comments; Item 33, Proposal.

¹⁷ Item 34, Comment Form.

¹⁸ Item 38, Proposal Comments and Postal Service Response Letters.

impact upon the community; and the expected financial savings, the Postal Service issued the Final Determination. Regular and effective postal services will continue to be provided to the Freeport community in a cost-effective manner upon implementation of the final determination.

Analysis

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Freeport Post Office on postal services provided to Freeport customers. The closing is premised upon providing regular and effective postal services to Freeport customers.

Petitioners express specific concern regarding service having to travel to the Argonia Post Office for retail services and that mail now emanates from the Anthony Post Office, not the Argonia Post Office. These concerns, in addition to others, were also raised by other Freeport customers in response to questionnaires, at the community meeting, and in comments to the proposal.¹⁹ These concerns were considered by the Postal Service alongside other issues pertaining to the impact of closing the Freeport Post Office upon the provision of postal services to Freeport customers.²⁰

¹⁹ Item 22, Returned Questionnaires and Postal Service Response Letters; Item 25, Community Meeting Analysis; Item 38, Proposal Comments and Postal Service Response Letters.

²⁰ FD at 2-6; Item 33, Proposal at 2-6; Item 41, Proposal (Revised) at 2-7.

The loss of retail services and Post Office Boxes at Freeport does not have a large impact on the quality of service provided by the Postal Service. As explained throughout the administrative record, rural route carriers can perform many functions (at the same time that the carrier delivers the mail) that will avert the need to go to any Post Office, Argonia or otherwise, for most transactions.²¹

The Postal Service explained that carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes.²² Customers do not have to make a special trip to the Post Office for most services. Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations, online at usps.com, or by calling 1-800-STAMP-24.²³ Customers can also request special services, such as Certified, Registered, or Express Mail, Delivery Confirmation, Signature Confirmation, and COD from the carrier.²⁴ Further, most transactions do not require meeting the carrier at the mailbox.²⁵ Special provisions are made, on request, for hardship cases or special customer needs.²⁶

Petitioners also raised concerns about mail emanating from the Anthony Post Office, not the Argonia Post Office as had originally been anticipated. A

²¹ FD at 2-4 ; Item 25, Community Meeting Analysis at 1-2; Item 33, Proposal at 2-4; Item 41, Proposal (Revised) at 2-4.

²² FD at 5-6; Item 22; Item 25, Community Meeting Analysis at 1; Item 33, Proposal at 5-6; Item 41, Proposal (Revised) at 6-7.

²³ FD at 2-6; Item 22; Item 25, Community Meeting Analysis at 1-2; Item 33, Proposal at 2-6; Item 41, Proposal (Revised) at 2-7.

²⁴ *Id.*

²⁵ FD at 2-4 ; Item 25, Community Meeting Analysis at 1-2; Item 33, Proposal at 2-4; Item 41, Proposal (Revised) at 2-4.

²⁶ *Id.*

change was made in August 2011 whereas the rural route for Freeport now originates at the Anthony Post Office, not the Argonia Post Office. This change was the result of a rural carrier retiring and the vacant route, which encompassed Freeport, being split. The Freeport portion of the vacant route was assigned to a carrier from the Anthony Post Office. This change, however, has minimum effect on customers, who will continued to receive mail from the same method of delivery. The only change is that customers must travel to the Anthony Post Office, located 12.8 miles away to retrieve undeliverable mail.²⁷ As explained below, Freeport Post Office customers will still be able to receive all other Post Office services at the Argonia Post Office.

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route. In addition to rural route delivery, which is the recommended alternate service, customers may also receive postal services, including P.O. Box service, at the Argonia Post Office, which is located 10 miles away. The window service hours of the Argonia Post Office are from 8:00 a.m. to 12:30 p.m. and from 1:30 p.m. to 4:00 p.m., Monday through Friday and from 8:00 a.m. to 10:00 a.m. on Saturdays.²⁸ Thus, the Postal Service has properly concluded that all Freeport customers will continue to receive regular and effective service via rural route service.

²⁷ Instead of traveling to the Anthony Post Office, customers may utilize Form 3849 and schedule redelivery at a different time or different location along the rural carrier's route. Customers may also appoint a designee to accept redelivery or retrieve the item from the Anthony Post Office.

²⁸ FD at 2; Item 18, Form 4920; Item 33, Proposal at 2; Item 41, Proposal (Revised) at 2.

Effect on Community

The Postal Service is obligated to consider the effect of its decision to close the Freeport Post Office upon the Freeport community.²⁹ While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Freeport is an unincorporated community located in Harper County. The community is administered politically by a mayor and council. Police protection is provided by the Harper County Sheriff. Fire protection is provided by the Anthony Kansas Fire Department.³⁰ The questionnaires completed by Freeport customers indicate that, the community is comprised of farmers, self-employed, and those who commute to work in nearby communities and work in local businesses.³¹

The Postal Service determined that its customers could continue to receive effective postal services elsewhere. Communities generally require regular and effective postal services and these will continue to be provided to the Freeport community.³² In addition, the Postal Service has concluded that non-

²⁹ 39 U.S.C. § 404(d)(2)(A)(i).

³⁰ FD at 5; Item 16, Community Fact Sheet; Item 33, Proposal at 5; Item 41, Proposal (Revised) at 6.

³¹ See *generally* FD at 5; Item 16, Community Fact Sheet; Item 18, Form 4920; Item 33, Proposal at 5; Item 41, Proposal (Revised) at 6.

³² FD at 5; Item 33, Proposal at 5; Item 41, Proposal (Revised) at 6.

postal services provided by the Freeport Post Office can be provided by the Oak Creek Post Office.³³

Some community member expressed a concern about the loss of the community's identity. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by retaining the Freeport, Kansas name and ZIP code.³⁴

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Freeport Post Office on the community served by the Freeport Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route service would cost the Postal Service substantially less than maintaining the Freeport Post Office and would still provide regular and effective service.³⁵ The estimated annual savings associated with discontinuing the Freeport Post Office are \$20,749.³⁶ Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies,

³³ *Id.*

³⁴ FD at 5; Item 33, Proposal at 5; Item 41, Proposal (Revised) at 6.

³⁵ FD at 8; Item 21, Cover Letter for Questionnaire; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

³⁶ FD at 6; Item 29, Proposal Checklist at 2; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).³⁷

The Postal Service determined that rural route service is more cost-effective than maintaining the Freeport postal facility and postmaster position.³⁸ The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent.³⁹

Effect on Postal Employees

As documented in the record, the impact on postal employees is minimal. The Postmaster retired on October 1, 1992.⁴⁰ A non-career employee is installed as the temporary OIC. The non-career employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to an authorized vacant position at a nearby facility.⁴¹ The record shows that no other employee would be affected by this closing.⁴² Therefore, in making the determination, the Postal Service considered the effect of the closing on the employee at the Freeport Post Office, consistent with its statutory obligations.⁴³

³⁷ *Id.*

³⁸ FD at 6; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

³⁹ See 39 U.S.C. § 404(d)(2)(A)(iv).

⁴⁰ See *supra* note 5.

⁴¹ FD at 6; Item 15, Post Office Fact Sheet at 1; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

⁴² *Id.*

⁴³ See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Freeport Post Office on the provision of postal services and on the Freeport community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Freeport customers.⁴⁴ The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accordance with the policies stated in 39 U.S.C. § 404(d)(2)(A).

⁴⁴ FD at 7.

Accordingly, the Postal Service respectfully requests that the determination to close the Freeport Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business & Service Development

Keith C. Nusbaum

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-6687; Fax -5418
Keith.C.Nusbaum@usps.gov
January 23, 2012